



eLOCCS Training: Operating Fund Payments

**Public Housing Financial Management Division
Office of Public and Indian Housing**

US Department of Housing and Urban Development
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Introduction

- PHAs must use eLOCCS (electronic Line of Credit Control System) to drawdown operating subsidy
- eLOCCS replaces the paper form HUD-52721 and is a quicker and more accurate way to request funds



Previous Method: Establishing Obligation

- FO approves form HUD-52723, *Operating Fund Calculation of Operating Subsidy*, and sends to Fort Worth Accounting Center
- Fort Worth Accounting Center enters obligation from form into the Program Accounting System (PAS)
- LOCCS will automatically retrieve information from PAS



Previous Method: Requesting Payments

- PHA submitted form HUD-52721, *Direct Disbursement Payment Schedule Data*, as part of operating subsidy eligibility package
- FO reviewed paper form, approved predetermined payment schedule, sent to Fort Worth Accounting Center
- Subsequent revisions followed same procedures



Previous Method: Program Area

- A67P, the original LOCCS Operating Subsidy program area code, was query only for FOs and PHAs



New Method: Establishing Obligation

- Same as Previous Method:
 - FO approves form HUD-52723
 - Fort Worth Accounting Center enters obligation into PAS
 - LOCCS retrieves information from PAS



New Method: Requesting Payments

- PHAs will use internet to access eLOCCS for query and drawdown purposes
- FOs will review request only if it exceeds threshold edits
- Payments requested as needed so no need for revisions



New Method: Program Areas

- **OFND**, the LOCCS program area code for Operating Fund Program, allows query and drawdown capabilities for PHAs and query and review for FOs
- A67P, the previous code, is still valid but only has historic data



New Method: Budget Line Items (BLIs)

- Two BLIs were established for OFND:
 - BLI 1000 – Operating Subsidy
 - BLI 2000 – Retained Disbursement



New Method: Budget Line Items (BLIs)

- BLI 1000 – Operating Subsidy:
 - PHAs can only drawdown funds from BLI 1000
 - Obligation amount from PAS will automatically populate this BLI



New Method: Budget Line Items (BLIs)

- BLI 2000 – Retained Disbursement
 - PHAs can not drawdown funds from BLI 2000
 - If necessary to retain portion of obligation, FO can move amount to BLI 2000



New Method: Deobligation

- If funds are deobligated, amount first taken from BLI 2000
- If amount retained in BLI 2000 not enough, funds then withdrawn from BLI 1000



New Method: Budget Period

- Previously, LOCCS A67P automatically assumed PHA had 12-month budget
- OFND will now calculate budget periods using fiscal year beginning (FYB) and fiscal year end (FYE) dates



New Method: Drawdown

- PHA may drawdown funds as frequently as once per day
- FOs should encourage PHAs to drawdown multiple times per month as funds are needed



Advantages of eLOCCS

- Most PHAs already use eLOCCS for other PIH program areas which eases transition
- Eliminates form HUD-52721 (other forms in operating subsidy eligibility package remain same)
- Provides flexibility in requesting funds



Payment Transition

- Payments scheduled for disbursement through 12/31/02 were picked up by LOCCS on 12/27/02 and disbursed as scheduled
- Payments scheduled for disbursement after 12/31/02 were moved into the undisbursed balance category in eLOCCS for PHAs to drawdown



Payment Transition

(continued)

- As of 12/30/02, all PHAs must use eLOCCS to drawdown operating subsidy funds



Accessing eLOCCS

- Only accessible to PHAs (FOs can monitor activity through LOCCS)
- Accessed through Real Estate Assessment Center's (REACs) firewall at www.hud.gov/offices/reac/index.cfm



Accessing eLOCCS (continued)

- “Getting Started Guide” available at www.hud.gov/offices/cfo/finsys.cfm
- Each PHA should have Secure System Coordinator who can assign LOCCS link to Secure Systems ID



Vouchers

- PHAs will request funds using **OFND** Voucher HUD-50080
- Voucher on HUD forms at www.hudclips.org/sub_nonhud/html/forms.htm
- PHA must have hard copy signed by Executive Director and retained for PHA's records before requesting funds



Threshold Edits

- Two threshold edits regulate maximum drawdown amounts:
 - *Per month calculated threshold*
 - *Cumulative calculated threshold*
- If funds requested in given month exceed **both** edits, subject to FO review



Per Month Calculated Threshold

(Threshold edit 1)

- To calculate, must identify:
 - Subsidy amount. Same as obligation in LOCCS
 - # months **in** budget period. Calculated using FYB and FYE
- Calculation:
 - $(\text{Subsidy amount}) \div (\text{\# months in budget period})$
- Example:
 - PHA has 12-month budget
 - Threshold = subsidy amount \div 12



Request Compared to Per Month Calculated Threshold

- Total amount that would be disbursed during the given month (including current request) is compared to the *per month calculated threshold*



Cumulative Calculated Threshold

(Threshold edit 2)

- To calculate, must identify:
 - *Per month calculated threshold*. Threshold edit 1
 - # months **into** budget period. Calculated using FYB and date disbursement will be made
- Calculation:
 - $(\text{Per month calculated threshold}) \times (\# \text{ months } \mathbf{into} \text{ budget period})$
- Example:
 - PHA is 4-months into its budget period
 - Threshold = $\text{per month calculated threshold} \times 4$



Request Compared to Cumulative Calculated Threshold

- Total amount that would be disbursed to date during the PHA's current budget period (including current request) is compared to the *cumulative calculated threshold*



Threshold Example

- PHA has \$120,000 subsidy amount and 12-month budget
- *Per month calculated threshold = \$10,000*
($\$120,000 \div 12$)
- PHA requests following amounts...



Threshold Example (continued)

- Month 1: \$10,000 No Review
 - Does not exceed *per month calculated threshold* of \$10,000 so system does not consider *cumulative calculated threshold*
- Month 2: \$8,000 No Review
 - Same reason as Month 1
- Month 3: \$10,000 No Review
 - Same reason as Months 1 & 2



Threshold Example (continued)

- Month 4: \$12,000 No Review
 - Failed threshold edit 1:
\$12,000 request exceeds *per month calculated threshold* of \$10,000
 - Passed threshold edit 2:
Total amount disbursed of \$40,000
(\$10,000 + 8,000 + 10,000 + 12,000) **will not** exceed *cumulative calculated threshold* of \$40,000 (\$10,000 × 4)



Threshold Example (continued)

- Month 5: \$14,000 **FO review**
Request exceeds both edits
 - Failed threshold edit 1:
\$14,000 request exceeds *per month calculated threshold* of \$10,000
 - Failed threshold edit 2:
Total amount disbursed of \$54,000
(\$10,000 + 8,000 + 10,000 + 12,000 + 14,000) **will** exceed *cumulative calculated threshold* of \$50,000 ($\$10,000 \times 5$)



Threshold Example (continued)

- Month 6: \$10,000 No review
 - Passed threshold edit 1:
\$10,000 request does not exceed *per month calculated threshold* of \$10,000
 - No need to consider *cumulative calculated threshold* since threshold edit 1 was not exceeded



Threshold Example (continued)

Month	Request	Review ?	Total to date
Month 1	\$10,000	No review Passed edit 1	\$10,000
Month 2	\$8,000	No review Passed edit 1	\$18,000
Month 3	\$10,000	No review Passed edit 1	\$28,000
Month 4	\$12,000	No review Failed edit 1 Passed edit 2	\$40,000
Month 5	\$14,000	Review Failed edit 1 Failed edit 2	\$54,000
Month 6	\$10,000	No review Passed edit 1	\$64,000



Notification of Review

- If request requires FO review, eLOCCS will indicate to PHA when voucher has been sent for FO review
- PHA should call and/or email FO
- FO should monitor Q10 screen in LOCCS, *Outstanding Vouchers for Review*



Automatic Review

- Automatic review is a function that requires every request submitted by a PHA to go for FO review
- When can automatic review be used?
 - FOs should only flag troubled PHAs under detailed review



Approval or Rejection of Requests

- **Guideline:**
 - Refer to payment schedule from previous year



OFND Access for FO

- All Financial Analysts must have “Field Office Administration” access to OFND and “Query” access to A67P



OFND Access for FO

- **Financial Analysts who already have “Field Office Administration” access to programs in LOCCS:**
 - **Amend Form HUD-27054-A.** Request “Field Office Administration” access to OFND and “Query” access to A67P
 - Existing users may fax forms to (202) 708-4350, attention CFO security



OFND Access for FO

- **New financial analysts and financial analysts with query access only:**
 - **Prepare form HUD-27054-A.** Request “Field Office Administration” access to OFND and “Query” access to A67P
 - Complete and submit a Limited Background Investigation (LBI) package if have not had LBI in past 15-years
 - Mail form to CFO Security Office



OFND Access for FO

- **Limited Background Investigation (LBI)** package contains:
 - **SF-85P** (95 edition only), *Questionnaire for Public Trust Positions*
 - **SF-87**, *Fingerprint Chart*
 - **OF-306**, *Declaration of Federal Employment* (only needed if never had NACI)
 - *Fair Credit Reporting Authorization*



OFND Access for FO

- New financial analysts and financial analysts with query access only must mail forms to:

HUD Headquarters

CFO Security Office

Attn: LOCCS Security Officer—Rm 3114

PO Box 23774, SW

Washington, DC 20026-3774



Interim Coverage for FO

- FO staff members with “Field Office Administration” access can submit an amended form HUD-27054-A adding OFND. These are:
 - Staff with “FO Administration” access to the Capital Fund Program (CFP) in LOCCS
 - eLOCCS coaches with “FO Administration” access to any program



OFND Access for PHAs

- PHA staff members who already have Capital Fund Program (CFP) access in eLOCCS will automatically have OFND access with same rights



OFND Access for PHAs

- **If the PHA staff member needs eLOCCS access:**
 - **Submit form HUD-27054.** Request OFND access and forward to the local FO. The form can be downloaded through www.hudclips.org/sub_nonhud/html/forms.htm
 - FO should then mail form to CFO Security Office



Questions

- You will have opportunity for questions following demonstration
- If further questions arise, email Funding_&_Financial_Management_Division@hud.gov

